

**FRANKLINTON ASSOCIATION
FOR CHALLENGED CITIZENS, INC.
FRANKLINTON, LOUISIANA**

**Annual Financial Statements
and Independent Auditor's Reports**

**As of and for the Year Ended June 30, 2007 and 2006
With Supplemental Information Schedules**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 3/5/08

LEROY J. CHUSTZ
CERTIFIED PUBLIC ACCOUNTANT
A Professional Accounting Corporation

**FRANKLINTON ASSOCIATION
FOR CHALLENGED CITIZENS, INC.
FRANKLINTON, LOUISIANA**

**Annual Financial Statements
and Independent Auditor's Reports**

**As of and for the Year Ended June 30, 2007 and 2006
With Supplemental Information Schedules**

Franklinton Association for Challenged Citizens, Inc.

**Annual Financial Statements
As of and for the Year Ended June 30, 2007
With Supplemental Information Schedules**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Franklinton Association for Challenged Citizens, Inc.
Franklinton, Louisiana

I have audited the accompanying statements of financial position of the **Franklinton Association for Challenged Citizens, Inc.** (a nonprofit organization), Franklinton, Louisiana, as of June 30, 2007 and 2006 and the related statement of activities and the statement of cash flows for the years then ended. These financial statements are the responsibility of the Association's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit's in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that I plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Franklinton Association for Challenged Citizens, Inc.**, as of June 30, 2007 and 2006 and the results of its operations and changes in financial position and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued a report dated December 28, 2007, on my consideration of the **Franklinton Association for Challenged Citizens, Inc.**'s internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

Leroy J. Chustz

Certified Public Accountant, APAC
December 28, 2007

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL STRUCTURE OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**Franklinton Association for Challenged Citizens, Inc.
Post Office Box 622
Franklinton, La 70438**

I have audited the financial statements of **Franklinton Association for Challenged Citizens, Inc's.**, as of and for the year ended June 30, 2007, which collectively comprise the **Franklinton Association for Challenged Citizens, Inc's** basic financial statements and have issued my report thereon dated December 28, 2007. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered **Franklinton Association for Challenged Citizens, Inc's.** internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not to for the purpose of expressing an opinion on the effectiveness of the **Franklinton Association for Challenged Citizens, Inc's** internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the **Franklinton Association for Challenged Citizens, Inc's** internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance

As part of obtaining reasonable assurance about whether **Franklinton Association for Challenged Citizens, Inc's.** financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an

opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Governmental Auditing Standards*.

This report is intended solely for the information and use of management, **Franklinton Association for Challenged Citizens**, others within the entity, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Leroy J. Chustz

Certified Public Accountant, APAC

December 28, 2007

Franklinton Association for Challenged Citizens, Inc.
Statement of Financial Position
As of June 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Assets		
Current Assets:		
Cash and Cash Equivalents	\$ 511,068	\$ 401,547
Investments	99,200	99,200
Receivables, Net :		
Accounts	23,721	54,449
Prepaid Assets	14,321	14,855
Total Current Assets	<u>648,310</u>	<u>570,051</u>
Property, Plant, and Equipment		
Land	10,000	10,000
Property, Plant and Equipment, Net	134,146	84,845
Total Property, Plant, and Equipment	<u>144,146</u>	<u>94,845</u>
Total Assets	\$ <u>792,456</u>	\$ <u>664,896</u>
Liabilities		
Current Liabilities (Payable From Current Assets):		
Accounts Payable	\$ 17,270	\$ 10,748
Long Term Debt - Current Portion	3,555	3,111
Total Current Liabilities (Payable From Current Assets)	<u>20,825</u>	<u>13,859</u>
Long Term Liabilities:		
Long Term Debt	51,239	54,973
Total Long Term Liabilities	<u>51,239</u>	<u>54,973</u>
Total Liabilities	<u>72,064</u>	<u>68,832</u>
Net Assets		
Unrestricted	720,392	596,064
Temporarily Restricted	-	-
Permanently Restricted	-	-
Total Net Assets	<u>720,392</u>	<u>596,064</u>
Total Liabilities and Net Assets	\$ <u>792,456</u>	\$ <u>664,896</u>

The accompanying notes are an integral part of this financial statement.

Franklinton Association for Challenged Citizens, Inc.

Statement of Activities

For the years ended June 30, 2007 and 2006

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals</u>	
				<u>2007</u>	<u>2006</u>
Operating Revenues					
Public Support					
Supportive Services	\$ 1,526,851	\$ -	\$ -	\$ 1,526,851	\$ 1,265,000
Medicaid	307,434	-	-	307,434	80,738
Provider Contracts and State Grant	135,663	-	-	135,663	313,937
Contributions	4,080	-	-	4,080	5,311
Service and Fee Revenue	102,951	-	-	102,951	93,671
Investment Income	11,761	-	-	11,761	6,453
Other Revenues	53	-	-	53	1,658
Net Assets released from restrictions	-	-	-	-	-
Total Operating Revenues	<u>2,088,793</u>	<u>-</u>	<u>-</u>	<u>2,088,793</u>	<u>1,766,768</u>
Operating Expenses					
Program Services	1,832,247	-	-	1,832,247	1,515,859
Management and General	132,218	-	-	132,218	109,479
Total Operating Expenses	<u>1,964,465</u>	<u>-</u>	<u>-</u>	<u>1,964,465</u>	<u>1,625,338</u>
Change in Net Assets from Operations	<u>124,328</u>	<u>-</u>	<u>-</u>	<u>124,328</u>	<u>141,430</u>
Change in Net Assets	<u>124,328</u>	<u>-</u>	<u>-</u>	<u>124,328</u>	<u>141,430</u>
Total Net Assets, Beginning	<u>596,064</u>	<u>-</u>	<u>-</u>	<u>596,064</u>	<u>454,634</u>
Total Net Assets, Ending	<u>\$ 720,392</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 720,392</u>	<u>\$ 596,064</u>

The accompanying notes are an integral part of this financial statement.

Franklinton Association for Challenged Citizens, Inc.
Comparative Statement of Functional Expenses
For the years ended June 30, 2007 and 2006

	2007					2006
	Center	Supported Independent Living	Total Program Services	Management and General	Total	
Expenses						
Salaries and Wages	\$ 302,514	\$ 984,546	\$ 1,287,060	\$ 111,918	\$ 1,398,978	\$ 1,172,592
Payroll Taxes	24,642	85,521	110,163	9,579	119,742	100,660
Client Payroll	31,992	-	31,992	-	31,992	27,561
Cost of Self Generated						
Revenue	39,310	-	39,310	-	39,310	32,625
Depreciation	9,717	6,478	16,195	-	16,195	12,533
Insurance	47,600	47,369	94,969	8,258	103,227	67,970
Interest	-	3,820	3,820	-	3,820	4,093
Professional Fees	13,450	5,650	19,100	-	19,100	16,780
Rent	8,167	10,380	18,547	-	18,547	16,888
Repairs and Maintenance	37,581	1,157	38,738	-	38,738	18,815
Supplies	18,081	11,277	29,358	-	29,358	22,254
Telephone	4,867	3,419	8,286	720	9,006	8,672
Training	500	8,281	8,781	-	8,781	5,931
Transportation	48,220	38,445	86,665	-	86,665	85,011
Utilities	14,504	5,538	20,042	1,743	21,785	18,589
Other	11,375	7,846	19,221	-	19,221	14,364
Total Expenses	\$ 612,520	\$ 1,219,727	\$ 1,832,247	\$ 132,218	\$ 1,964,465	\$ 1,625,338

The accompanying notes are an integral part of this financial statement.

Franklinton Association for Challenged Citizens, Inc.
Comparative Statement of Cash Flows
For the years ended June 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Cash Flows From Operating Activities		
Change in Net Assets	\$ 124,328	\$ 141,430
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	16,195	12,533
Changes in operating assets and liabilities		
(Increase) decrease in receivables	30,728	(18,800)
(Increase) decrease in other assets	534	(162)
Increase (decrease) in accounts payable	<u>6,522</u>	<u>(357)</u>
Net Cash Provided by (Used by) Operating Activities	<u>178,307</u>	<u>134,644</u>
Cash Flows From Investing Activities		
Purchases of property	<u>(65,496)</u>	<u>(1,050)</u>
Net Cash (Used) by Investing Activities	<u>(65,496)</u>	<u>(1,050)</u>
Cash Flows From Financing Activities		
Repayment of debt	<u>(3,290)</u>	<u>(3,075)</u>
Net Cash (Used) by Financing Activities	<u>(3,290)</u>	<u>(3,075)</u>
Net Cash Increase (Decrease) in Cash and Cash Equivalents	109,521	130,519
Cash and Cash Equivalents, Beginning of Year	<u>401,547</u>	<u>271,028</u>
Cash and Cash Equivalents, End of Year	<u>\$ 511,068</u>	<u>\$ 401,547</u>
Supplemental disclosures of cash flow information		
Cash paid during the year for interest	\$ 3,820	\$ 4,093

The accompanying notes are an integral part of this financial statement.

Franklinton Association for Challenged Citizens, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2007

Introduction

The Franklinton Association for Challenged Citizens, Inc. (the Association) was established in 1968 to assist individuals with disabilities in the Town of Franklinton, Louisiana, and the surrounding communities to increase personal independence and to facilitate an individual's integration into the community. The Association currently services approximately 110 clients and utilizes a staff of approximately 45 full and 30 part time employees. The Association provides two major programs: the work programs at the Washington Parish Activity Center and the Supported Independent Living Program.

At the Activity Center, clients are provided daily transportation to and from the center as needed to participate in vocational and daily living skill education in a structured supportive environment. The Supported Independent Living Program provides in-home support for individual clients, designed to improve or maintain the individual's ability to take care of his or her own health and physical needs through direct training. In some cases clients require twenty-four hour care.

1. Summary of Significant Accounting Policies

A. Restrictions on Net Assets

Revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Association and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to any donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed restrictions on their use that may be met either by actions of the Association or the passage of time.

Permanently restricted net assets – Net assets subject to donor-imposed or other legal restrictions requiring that the principal be maintained permanently by the Association. Generally, the donors permit the Association to use all or part of the income earned for either general or donor-specified purposes.

B. Comparative Information and Reclassifications

The financial statements are presented with certain prior year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended June 30, 2006, from which the summarized information was derived.

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Franklinton Association for Challenged Citizens, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2007

C. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements. Estimates and assumptions may also affect disclosure of contingent assets and liabilities at the date of the financial statement, and the reported amounts of revenues and expenses. Actual results could differ from management's estimates.

D. Cash and Cash Equivalents

The Organization's cash and cash equivalents are considered to be cash on hand, demand deposits, time deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

E. Investments

Investments are reported at fair value. Investment income classified as operating revenue consists of interest and dividend income on investments and gains approved for use in operations. All other realized and unrealized gains or losses are classified as nonoperating activity and are available to support operations in future years and to offset potential market declines. Investments classified as current are available for operations in the next fiscal year.

Various methods and assumptions were used to estimate the fair value of each class of financial instruments. Cash and cash equivalents are valued at their carrying amount due to their short maturities. Investments are reported at fair value based on quoted market prices. Debt is valued at rates currently available to the Associations for issuances with similar terms and remaining maturities.

F. Inventories and Prepaid Items

All inventories, when held, are valued at cost using the first-in/first-out method. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

G. Property and Equipment

Purchases of land, buildings, and other property having a unit cost per established guidelines and a useful life of three or more years are capitalized at cost. Donated assets are capitalized at the estimated fair value at date of receipt. Interest expense incurred during a period of construction, less related interest income earned on proceeds of tax-exempt borrowings, is capitalized. Property under capital leases is amortized over the lease term. Any gain or loss on sale of land, buildings and other property is reported as other revenues on the statement of activities. The Association maintains a threshold level of \$500 or more for capitalization of property and equipment.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All capitalized assets, other than land, are depreciated using the straight-line method over their estimated useful lives ranging from three to ten years.

Franklinton Association for Challenged Citizens, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2007

H. Revenue Recognition

Contributions, which include unconditional promises to give (pledges) are recognized as revenues in the period received or promised. Conditional contributions are recorded when the conditions have been met. Contributions are considered to be unrestricted unless specifically restricted by the donor.

The Association reports contributions in the temporarily or permanently restricted net asset class if they are received with donor stipulations as to their use. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are released and reclassified to unrestricted net assets in the consolidated statement of activities. Donor-restricted contributions are initially reported in the temporarily restricted net asset class, even if it is anticipated such restrictions will be met in the current reporting period.

Product or service revenue is generally recognized upon delivery of the product or services to the customer.

Gains and losses on investments and other assets and liabilities are reported as increases and decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

I. Contributed Services and Materials

Contributed services are reported at fair value in the financial statements for voluntary donations of services when those services (1) create or enhance non-financial assets or (2) require specialized skills provided by individuals possessing those skills and are services which would be typically purchased if not provided by donation. There are several volunteers, which donate time in the organization's programs and supporting services, however due to the lack of an objective basis to measure the value of these non-specialized services no contributed service revenue has been recorded in these instances.

Donated materials are recorded at their fair value at the date of the gift. The Association does not imply time restrictions for gifts of long-lived assets. As a result, in the absence of donor-imposed restrictions, gifts of long-lived assets are reported as unrestricted revenue.

J. Income Taxes

The Franklinton Association for Challenged Citizens, Inc. is a not-for-profit Association. The Association is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities.

Franklinton Association for Challenged Citizens, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2007

2. Cash and Cash Equivalents

Cash and cash equivalents were as follows at June 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Interest Bearing Demand Deposits	\$ 486,303	\$ 381,043
Certificates of Deposit with maturities of three months or less	24,765	20,504
Total cash and cash equivalents	<u>\$ 511,068</u>	<u>\$ 401,547</u>

3. Revenue and Receivables

The primary revenues for the Association come from the following sources in the following approximate percentages: supportive services \$1,526,851 (73%), Medicaid waiver \$307,434 (15%) provider contracts and a state grant \$135,663 (6%), and self generated \$102,951 (5%). Supportive service revenue is earned through three forms of Medicaid billings: the new opportunities waiver (N.O.W.), the supports waiver, and the elderly disabled adult waiver. The new opportunities waiver is billed based on fifteen minute units of service and can apply to both the activity center and the supported independent living programs. The supports waiver is billed in day units and can only be applied to the work programs at the activity center. The supports waiver provides fewer services than the other waiver forms and is utilized as a bridge to partially meet the needs of clients due to the lengthy waiting list for the other waiver forms on a state-wide basis.

The provider contract revenue comes from one primary source Res Care, which is a private health services provider to Medicaid qualified clients. Res Care transports their clients to utilize the services at the activity center for a per diem rate and Res Care is directly billed based on attendance. The primary amount included in accounts receivable at year end is from Res Care in the amount of \$17,265.

The Association maintains several sources of self-generated revenue through multiple work programs conducted by the clients where revenue earned is put back into the program to fund ongoing supplies and equipment required to continue the program. These work programs include lawn care, cutlery packing, newspaper recycling, and janitorial services. The Franklinton Association for Challenged Citizens also operates a gift shop selling some products produced by the clients and other purchased directly for resale. The Association utilizes these forms of self generated revenue to carry out the mission of the Association while becoming less dependent on external supportive sources.

Franklinton Association for Challenged Citizens, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2007

4. Property and Equipment

The cost and accumulated depreciation of land, buildings, and other property were as follows at June 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Land	\$ 10,000	\$ 10,000
Buildings	81,361	81,361
Equipment - Work Account Assets	16,906	16,140
Furniture, Fixtures, and Equipment	61,180	47,050
Vehicles	229,823	179,223
Leasehold Improvements	14,768	14,768
Total cost of assets placed in service	<u>414,038</u>	<u>348,542</u>
Less accumulated depreciation	(269,892)	(253,697)
Property and equipment, net	<u>\$ 144,146</u>	<u>\$ 94,845</u>

5. Investments

The fair value of investments were as follows at June 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Certificates of Deposits with a maturity over three months	\$ 99,200	\$ 99,200
Total investments at fair value	<u>\$ 99,200</u>	<u>\$ 99,200</u>

Franklinton Association for Challenged Citizens, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2007

6. Debt

On May 5, 2003, the Association purchased a tract of land and the building located on the land at 2005 Main Street, Franklinton, Louisiana for \$67,000 and financed it for fifteen years through Citizens Bank. The Association placed the building and land up for collateral on the loan for the same piece of land. In addition, the Association must hold a \$21,000 Certificate of Deposit with Citizens Savings Bank and \$10,000 will be pledged as collateral.

Debt consists of the following at June 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Note Payable: \$ 67,000		
Dated 5/5/2003 due in monthly installments of principal and interest of		
\$ 592 through 5/5/2018 interest at 6.75%	\$ 54,794	\$ 58,084
Total long term debt	<u>54,794</u>	<u>58,084</u>
Less current portion	<u>(3,555)</u>	<u>(3,111)</u>
Debt, noncurrent portion	<u>\$ 51,239</u>	<u>\$ 54,973</u>

Scheduled maturities for long term obligations at June 30, 2007

<u>Year Ending</u>				
<u>June 30,</u>	<u>Principal</u>		<u>Interest</u>	<u>Total</u>
2008	\$ 3,512	\$	3,597	\$ 7,109
2009	3,757		3,352	7,109
2010	4,019		3,090	7,109
2011	4,299		2,810	7,109
2012	4,598		2,511	7,109
2013 to 2017	27,626		7,285	34,911
2017 to 2018	6,983		263	7,246
Total	<u>\$ 54,794</u>	\$	<u>22,908</u>	<u>\$ 77,702</u>

Franklinton Association for Challenged Citizens, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2007

7. Commitments and Contingencies

The Association receives a substantial amount of its support for its programs of providing day services to challenged individuals, from governmental sources. These revenue streams require the Association to furnish habilitation services to clients to be reimbursed at an amount stipulated in each contract. A significant reduction in the level of this support, if it were to occur, may have an effect on programs and activities.

At June 30, 2007, the Association was not involved in any outstanding litigation or claims.

8. Prior Period Adjustment

Approximately three capital assets, which should have been fully depreciated as of the end of the prior period ending June 30, 2006 according to the depreciation policies of the Association, were not reported as fully depreciated in the prior year report resulting in a net overstatement of unrestricted net assets at June 30, 2006 of \$2,384. This amount is the sole change resulting in the reduction of prior period reported ending net assets of \$598,448 to \$596,064 as shown in this report.

FRANKLINTON ASSOCIATION FOR CHALLENGED CITIZENS, INC.

Franklinton, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2007

I have audited the financial statements of **Franklinton Association for Challenged Citizens, Inc.** as of and for the year ended June 30, 2007, and have issued my report thereon dated December 28, 2007. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of June 30, 2007 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Type of Auditor's Opinion Issued Unqualified

Internal Control

Material Weaknesses ☐ Yes ☒ No Significant Deficiencies ☐ Yes ☒ No

Non Compliance Material to Financial Statements ☐ Yes ☒ No

b. Federal Awards N/A

FRANKLINTON ASSOCIATION FOR CHALLENGED CITIZENS, INC.
Franklinton, Louisiana
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
For the Year Ended June 30, 2007

Section II Financial Statement Findings

Current Year Findings

No Reportable Findings

Prior Year Findings

No Reportable Findings

Section III Federal Award Findings and Questioned Costs

No Reportable Findings

Leroy J. Chustz

Certified Public Accountant, APAC
December 28, 2007

FRANKLINTON ASSOCIATION FOR CHALLENGED CITIZENS, INC.

Franklinton, Louisiana

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

For the Year Ended June 30, 2007

SECTION I-Internal Control and Compliance Material to the Financial Statements:

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken (Yes, No, Partially)	Planned Corrective Action/Partial Corrective Action Taken	Additional Explanation
None					

SECTION II-Internal Control and Compliance Material to the Federal Awards:

No Reportable Findings

SECTION III-Management Letter:

No Reportable Findings

FRANKLINTON ASSOCIATION FOR CHALLENGED CITIZENS, INC.

Franklinton, Louisiana

MANAGEMENT'S CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS

For the Year Ended June 30, 2007

Section I-Internal Control and Compliance Material to the Financial Statements:

Ref. No.	Description of Finding	Corrective Action Planned	Name(s) of Contact Person(s)	Anticipated Completion Date
None				

Section II-Internal Control and Compliance Material to Federal Awards:

No Reportable Findings

Section III-Management Letter:

No Reportable Findings